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UQ1 – What are the benefits of using ESI?

Short Answer: ESI saves money and time and reduces risk.

ESI has negotiated significant discounts from software publishers and technology vendors based on volume purchased in each transaction and, in many cases, based on the total volume purchased across the DoD. So, a significant benefit to programs using ESI is **cost savings**. Also, the terms and conditions provided in an ESI BPA are typically **more favorable** to a DoD program than **terms and conditions** negotiated in an individual transaction. Using ESI vehicles with pre-negotiated terms and conditions and a pricing framework can **reduce buying cycle time**. In the case of certain technology implementation projects where a higher degree of risk exists, the use of the ESI BPAs can help **reduce risk** by incorporating best practices in contracting and implementation.

ESI continuously updates its agreements to incorporate lessons learned; allowing DoD programs to stay current and responsive to market conditions and best practices. For each software publisher, ESI assigns a Software Product Manager (SPM) to provide product education throughout DoD and help **resolve licensing and pricing issues**. The SPM can advise customers the best way to save money and obtain the rights they need for specific software products by sharing lessons learned by other customers. The SPM can help customers save money by **accessing excess license inventory** or taking advantage of **enterprise-wide software licenses** the customer may not know existed. Depending on timing, the SPM can help **consolidate multiple customers' requirements to achieve higher volume-based discounts**.

In certain circumstances, the Army SPM can provide **multi-year financing** through Working Capital Funds when there is a solid business case that will result in savings at acceptable risk. There is no additional charge for these services, except for a very small charge for funds administration when financing is provided (2.5% fee for up to three years financing).

UQ2 – How do I find out if a particular product is included an ESI agreement?

There are two ways to find a product on the ESI Web site: www.esi.mil:

1. Using the Search feature:
 - a. On the Home Page, enter the product you are looking for in the search area in the upper right and click the 'search' button.
 - b. You will be presented with tabs that contain the search results. These tabs may include 'Agreements', 'Training', 'News', or 'Resources / Tools'. Select the tab most appropriate for your desired results.
2. Using the Agreements tab:
 - a. On the Home Page, click the Agreements tab. A list will be displayed underneath. Select 'Software Agreements' and choose a Publisher, select 'Service Agreements' and choose a Service Provider, or select 'Hardware Agreements' and choose the appropriate Hardware Vendor.
 - b. Whichever path you take above, you will be prompted to select your component or organization. Click 'Go' for a list of search results.

UQ3 – I've searched the web site and cannot find the information I am looking for. How do I contact someone who can provide more information on a particular product?

On the ESI Web site: www.esi.mil:

1. From the Home Page, select the 'Ask an Expert' tab
2. Select the appropriate button of the five for your situation.
3. When applicable, choose the appropriate Vendor, your Organization, your name and contact information, your classification, or any text requested, then click the 'Submit' button.
4. Select the "Submit" button – your inquiry will be automatically routed to the appropriate SPM or Subject Matter Expert.

UQ4 – How do I find policy regarding the use of ESI?

Policy related to ESI can be found by performing a search for the word "policy" as detailed in UQ2 above. Choose the appropriate document under the 'Resources /Tools' tab.

UQ5 - How is it determined that an agreement will extend to all federal IT buyers under the SmartBUY program or to DoD IT buyers under the DoD ESI program?

The short answer is that the team (GSA, DoD ESI and the vendor) would need to agree for the vendor's products to be offered to all federal government organizations under the SmartBUY program. The general criteria used to make this determination is as follow:

- 1) The vendor already has a strong presence within government agencies.
- 2) The vendor's products are available under a current GSA IT Schedule 70 and meet requisite compliance standards.
- 3) There is adequate demand for the product across the federal government.
- 4) The vendor agrees to provide adequate pricing discounts to the federal Government.
- 5) The vendor agrees to SmartBUY terms and conditions.
- 6) There is adequate government staffing available to manage a federal-wide agreement.

DoD ESI and SmartBUY discuss each program and determine if the agreement should be focused on DoD only or broadened to a SmartBUY federal-wide agreement. In either case, ESI may be selected to serve as the managing organization of the agreement.

UQ6 – How do I learn more about the SmartBUY program?

Information related to SmartBUY can be found by searching the site for "SmartBUY Alliance", and it is the first choice on the 'Resources /Tools' tab. More detailed information can be found at the SmartBUY Software Overview GSA Web Page at: <http://www.gsa.gov/portal/content/105119>

UQ7 – How do I find a list of SmartBUY products?

There are two ways to find SmartBUY agreements on the ESI Web site: www.esi.mil:

1. Using the Search feature:
 - a. On the Home Page, enter SmartBUY in the search block, and click the 'search' button.
 - b. You will see a list of results under the Agreements tab.

UQ8 – How do I know if there is inventory on hand for a particular product?

On the ESI Web site: www.esi.mil:

1. Find the agreement for the product you are interested in. See FAQ UQ2 if you need assistance.
2. Select the appropriate Reseller or Direct Sales contact and verify there is an Ordering Guide under the 'Ordering Info' tab.

UQ9 – How do you pick the product or product lines that are offered by ESI?

Products or solutions are chosen based on an identified requirement which can be an existing installed base (for which there is a maintenance requirement) or where a future requirement has been identified. Requirements are gathered from DOD program offices and analyzed to determine how much DoD demand is expected in the forthcoming years. The ESI periodically works with organized working groups to capture their insight into future products and services that will have extensive purchasing activity in the upcoming years. In addition, ESI frequently considers information provided by vendors if it can be validated by customer contacts.

ESI also works closely with industry analysts to stay current with trends in the federal government, commercial markets and vendor firms. Where a broad requirement is determined, ESI solicits subject matter experts on that particular product or solution from DoD program offices to serve as advisors, evaluators and active participants in the market research and negotiations process. This ensures that agreements are structured using current best practices and real-world experience with the product or solution to be acquired.

UQ10 - How do I recommend a product to be included as an ESI agreement?

On the ESI Web site: www.esi.mil:

1. Select the 'Ask an Expert' tab on the Home Page
2. Select the first button titled "I have a question / comment concerning DoD ESI or software, hardware, services". Select the appropriate vendor from the drop down list. If the Vendor is not there, select "**Not on the List." Note – It is important to make a selection in this block to ensure that your query is routed to the correct SPM and for a timely response to be provided to you.
3. Choose your Organization and Classification, and enter your name, and email address.
4. Enter your request and any other pertinent information in the Your Question block.
5. Click the 'Submit' button.

UQ11 – How do I request a waiver to not use an ESI agreement?

The Defense Federal Acquisition Regulation Supplement (DFARS) Subpart 208.74 states that the SPM must be contacted if “existing ESAs do not represent best value to the Government”. Before requesting a waiver, the SPM should first be contacted either by using the contact information found in the ESI Agreement or by using the “Contact the SPM” feature of this web site. To use the “Contact the SPM” feature of the ESI web site:

1. Select the ‘Ask an Expert’ tab on the Home Page of this site
2. Select the first button titled “I have a question / comment concerning DoD ESI or software, hardware, services”. Select the appropriate vendor from the drop down list. If the Vendor is not there, select “*Not on the List.” Note – It is important to make a selection in this block to ensure that your query is routed to the correct SPM and for a timely response to be provided to you.
3. Choose your Organization and Classification, and enter your name, and email address.
4. Enter all pertinent data regarding why you feel another vehicle provides better value in the Your Question block. The SPM will inform you if he/she can provide the same or better value using the ESI agreement. It is important to note that the SPM cannot grant a waiver. This is done by a management official designated by your DoD Component. The SPM can help you locate that person, if needed.
5. Select the “Submit” button.

UQ12 – What are the best practices in the commercial sector for systems integration contracts?

In the commercial sector, senior executives suffer career-ending injuries if an ERP or other enterprise- wide software project does not go well. The stakes are high for technical and business leaders. Boards of Directors are now more liable for systems to be in place to avoid IT failures. With this heightened duty placed on their shoulders, commercial leaders look to transfer IT risk to their IT vendors, wherever possible.

In a systems-integration project, first making a selection of the COTS ERP software package that best fits your program's needs/requirements mitigates risk. If a company needs help capturing its requirements, it may enlist the help of a qualified firm, but that firm should typically be disqualified from the implementation services if it was the author of the requirements.

Once software is selected, the choice of a systems integration firm can be narrowed to review and evaluate the qualifications of that firm for the software selected. This helps ensure that your program receives the best resources that are most familiar with the software package that you will live with for many years.

Senior executives want to know that the integrator will follow a proven methodology. Further, they want assurances that the contract structure is tied to a proven phased approach with clearly defined deliverables, milestones, acceptance criteria, and fixed prices tied to results. The days of payments strictly based on time spent are long gone. Also discouraged is the overuse of assumptions where excuses for lateness or exceeding budget lay waiting for a huge debate.

Another key success factor is the level of involvement and sponsorship by senior executives. An ERP or other COTS program is a major undertaking for any firm. It will affect many jobs and many people. The art and science of change management is critical from day one and far after the date that the software goes live.

UQ13 – What is one of the most common pitfalls or risks that programs experience when contracting for IT services?

Too often, a buyer of IT services allows a contractor to list a series of assumptions in their proposal and contract documentation as conditions that must be met in order for the vendor to meet a price or a deadline. This is a poor practice that only causes confusion and raises risks. Often it occurs when a salesperson for the vendor does not want to have the tough but necessary conversation to identify the buyer's duties and responsibilities. To avoid this risk, in your RFP or RFQ instructions, do not allow the vendor to use assumptions in their proposal and contracting documentation. Instead, provide a list of the duties you (as a buyer) expect to perform and require the proposing firm to agree with your list or propose an alternative list of buyer duties as part of their proposal. Then, make the final agreed-upon list of buyer duties an integrated and binding condition precedent to the vendor's performance of the contract price and schedule. This may seem burdensome on the buyer, but in an IT project, the buyer must know what its duties are and agree to perform those duties in order to reduce the risk of failure or delay in your project.

UQ14 – What steps should a program office take to utilize an ESI ESA for software, and what do I include in my Acquisition Plan and solicitation documentation to indicate that I'm going to use ESI for my program? How do I order and pay for the software that I want to acquire?

Here are some general guidelines that a program should know when considering use of an ESI ESA:

- The decision to use an Enterprise Software Initiative (ESI) Enterprise Software Agreement (ESA) should occur early in the acquisition planning process when the requirements are first identified.
- Most of the ESI ESAs are GSA-based Blanket Purchase Agreements (BPAs). GSA schedules are commercial contracts subject to the clauses found in FAR Part 12. An order placed against a GSA-based BPA is actually an order placed against the GSA schedule inclusive of more favorable terms and/or prices for DoD. So the processes and regulations pertinent to issuing an order under an ESI ESA BPA are those in effect for a GSA schedule order.
- Customers should review the Ordering Procedures that are found in each BPA to determine whether any of these regulations have been satisfied at the BPA level. The BPA documents can be viewed on the ESI web site at www.esi.mil by selecting "Software" and then the applicable software manufacturer from the drop down list. The vendor name under the "Reseller" column provides a link to the BPA documents.
- The acquisition planning documents should address use of the ESI BPAs in the same manner as they would address the decision to use GSA schedule.
- ESI is not "brand naming" or setting up software product standardization for DoD when issuing an ESA. ESI is securing better terms, conditions and prices for the DoD end user in the event the user has a requirement for that specific product.
- If requirements evaluation has led to a designated software product or service and the required software is available on a Federal-wide SmartBUY ESA, then OMB and DoD policy mandate use of the SmartBUY ESA.

To answer these questions in greater detail, we are providing the following graphic to describe the sequential order of key decision points and a table to explain the different paths that can be taken depending on your scenario:

Step	Key Question	If Yes, then...	If No, then...	Notes
1	Is a commercial-off-the-shelf (COTS) software product the best solution to satisfy the program's requirements?	... DFARS 208.7400 mandates that the ESI ordering agreement be considered if a program is acquiring software that is included on an ESI agreement.	... there is no requirement to use ESI ESAs.	ESI does not dictate the products or services to be acquired (see DFARS 208.7402).
2	Is only one COTS software product capable of satisfying the requirement?	<p>... the product brand would be selected and a brand name justification would need to be requested and secured.</p> <p>If a brand name selection is justified, then the requirement</p>	<p>... the program office would write a functional specification document and compile a list of software publishers who may possibly satisfy the requirement for the purpose of competing their requirement using a functional description or "an equal"</p>	<p>The decision of what product meets a customer's requirements remains the sole responsibility of that customer.</p> <p>If the requirement is being competed based on functional</p>

		could be competed among the BPA holders and all GSA schedule holders using FAR 8 (GSA e-Buy) and DFARS 208 procedures. The solicitation document should indicate that quotes are sought under an ESI BPA, if applicable.	description.	specifications, the solicitation should indicate that any quoted products that are included on an ESI agreement should be priced and notated as such.
3	Is an ESI ESA in effect for the required COTS SW product(s)?	... proceed to question 4	... conduct a competition using normal procurement procedures.	The ESI agreements can be accessed by selecting "Software" at www.esi.mil .
4	Is a third party / integrator acquiring the COTS SW on your behalf?	... request the Contracting Officer for your procurement to provide authorization to the third party to acquire the software from an ESI agreement in accordance with DFARS 251 and then proceed to question 5	... proceed to question 5a.	
5	Does ESI have existing inventory of licenses for the COTS SW product (s)? Inventory is available under ESI agreements	... the third party, if properly authorized under the contract as addressed in Step 4 above, will fulfill the requirement from the inventory.	... the third party, if properly authorized under the contract as addressed in Step 4 above, will procure the software through the ESI ESA.	Ordering under the ESI ESAs is decentralized. Requirements are processed through the normal contracting activity (the Ordering Office) that services the program office. The Ordering Office issues an order under an ESI BPA in accordance with the Ordering Procedures found in each
5a	Does ESI have existing inventory of licenses for the COTS SW product (s)? Inventory is available	... the program office will fulfill, receive, accept and pay in accordance with the terms of the ESI agreement that carries the inventory. The ESI agreements can be accessed by selecting "Software" at	... process an order under the ESI agreement in accordance with the Ordering Procedures specified in the applicable agreement.	agreement and after satisfaction of the applicable procurement regulations. The instructions for placing an order may vary by agreement and must be followed to ensure

	under ESI agreements	www.esi.mil .		<p>compliance with competition requirements. In many cases, it is the responsibility of the Ordering Office to comply with the ordering procedures of FAR 8.4, obtain competition, and/or publish brand name or limited source justifications as applicable.</p> <p>Payment for the software is handled through the normal invoicing process.</p>
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